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No. 87-1117

In The
Supreme Court of the United States
October Term, 1988

CITY OF MANASSAS, VIRGINIA, *et al.*,
Appellants,
and
WILLIAM H. FORST,
Intervenor-Appellant,
v.
UNITED STATES OF AMERICA,
Appellee.

ON APPEAL FROM THE UNITED STATES COURT OF APPEALS FOR THE FOURTH CIRCUIT

BRIEF OF THE STATE OF TENNESSEE AS AMICUS CURIAE IN SUPPORT OF JURISDICTIONAL STATEMENT

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QUESTIONS PRESENTED

Does Virginia Code Ann. § 58.1-3502 (Repl. Vol. 1984) unconstitutionally discriminate against the United States and the contractors with whom It deals?

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BRIEF OF THE STATE OF TENNESSEE AS AMICUS CURIAE IN SUPPORT OF JURISDICTIONAL STATEMENT

In accordance with this Court's Rule 36, the State of Tennessee, through its Attorney General, W.J. Michael Cody, submits this brief as amicus curiae in support of the Jurisdictional Statement filed by the City of Manassas, Virginia and Arthur L. Shoemake, Commissioner of Revenue of the City of Manassas; and William H. Forst, State Tax Commissioner of the Commonwealth of Virginia. Authority for filing of the brief is found explicitly at Supreme Court Rules 36.1 and 36.4.

INTEREST OF THE STATE OF TENNESSEE

This case concerns the basic design of our federal system of government and the relationship of the states to federal authority. It involves the rights of the State of Tennessee, its governmental subdivisions and its citizens within that framework. Specifically, this case addresses the context within which the State of Virginia, and any other state, may tax an independent private contractor's beneficial use of federal property for its own profit-making ventures.

The State of Tennessee has a vital interest in the outcome of this case since it recently enacted legislation enabling its governmental subdivisions to tax a user of federal property when that use is for other than an exclusively public purpose and the user is not an agent or instrumentality of the United States. This legislation, which was enacted into law on April 17, 1987, amended T.C.A. § 67-5-203 by adding a new subsection (c). Section 67-5-203 now reads as follows (the amended provision has been italicized):

> 67-5-203. Government Property.—(a)(1) All property of the United States, all property of the State of Tennessee, of any county, or of any incorporated town, city, or taxing district in the state that is used exclusively for public, county, or municipal purposes shall be exempt from taxation.
>
> . . .
>
> (c) *All property of the United States or any department or agency thereof, leased or otherwise used for other than an exclusively public purpose by any person, not an agent or instrumentality of the United States, shall be assessed to such user of such property at its value as determined pursuant to § 67-5-601, subject only to a deduction for any restricted use. This*

subsection (c) shall not affect sales and use taxes imposed on users of federal property by § 67-6-209.

T.C.A. § 67-5-203(c) is an integral part of the entire Tennessee tax system. Its design is to place the United States and its contractors in exactly the same position as state and local governments and their contractors, and as charitable, scientific, religious and educational organizations and users of their property. The revenue laws of Tennessee exempt from taxation property of governmental units and charities, scientific, religious and educational organizations which is used *exclusively* for the purpose for which those entities exist. T.C.A. § 67-5-203(a)(1); T.C.A. § 67-5-212(a)(1). These statutes thus subject to taxation property of governmental units and charities, scientific, religious and educational organizations which is *not* used exclusively for the purpose for which those entities exist, and these statutes have been so interpreted by Tennessee Courts. For instance, in construing the predecessor to T.C.A. § 67-5-203(a)(1), Chief Justice Green of the Tennessee Supreme Court specifically stated that the "exemption is determined not by the nature of the State's title to the property but by the use of the property." *State v. City of Nashville*, 178 Tenn. 344, 157 S.W.2d 839, 842 (1941). One narrow exception to these provisions of the Tennessee revenue laws is created for property owned by educational institutions controlled by the State of Tennessee, which is exempt from taxation regardless of whether it is used for an exclusively public purpose pursuant to T.C.A. § 67-5-203(a)(2). Copies of these statutory provisions are reproduced in the Appendix attached hereto.

Thus, while Tennessee may and has removed the exemption for either a State or local government unit or

charitable institution if their property is used for a non-exempt purpose, the State of Tennessee could not remove the absolute immunity of property of the United States from taxation. Tennessee could, however, accommodate for this inability by taxing a private corporation's use of the United States' property when that use is "for other than an exclusively public purpose." Tennessee accomplished exactly this by its enactment of T.C.A. § 67-5-203(c).

In June 1986, pursuant to T.C.A. § 67-5-203(c), Hawkins County, Tennessee imposed a tax on the private contractor Holston Defense Corporation's use of federal property located at the Holston Army Ammunition Plant. The United States of America subsequently filed a Complaint in the United States District Court for Eastern Tennessee, Northeastern Division, on June 30, 1986 seeking (1) a declaratory judgment that T.C.A. § 67-5-203(c) is invalid under the Tennessee and United States Constitutions and (2) a permanent injunction to preclude the Defendants, Hawkins County, Tennessee and its various officials, from taking any further steps to impose a tax upon Holston Defense Corporation pursuant to T.C.A. § 67-5-203(c). The District Court granted the United States' Motion for Summary Judgment in a Final Judgment and Memorandum and Order, both entered on April 10, 1987. The District Court specifically held that the taxpayer Holston Defense Corporation was so closely interrelated with the United States that the imposition of a tax on Holston pursuant to T.C.A. § 67-5-203(c) was in reality a tax on the property itself and, as such, barred by the Supremacy Clause of the United States Constitution (art. VI, cl. 2). Both Hawkins County, Tennessee and the State of Tennessee, which

had intervened as a party defendant in this case, have appealed the District Court's decision to the United States Court of Appeals for the Sixth Circuit, and that appeal is presently pending before that Court.

Similarly, Anderson County and Roane County, Tennessee assessed a "use tax" pursuant to T.C.A. § 67-5-203(c) against three private federal contractors using federal property at the United States Department of Energy's Oak Ridge facility. These private contractors were Martin Marietta Energy Systems, Inc., Oak Ridge Associated Universities, Inc. and Rust Engineering Company. The United States subsequently filed a Complaint on June 27, 1986 in the United States District Court for the Eastern District of Tennessee, Northern Division, seeking (1) a declaratory judgment that T.C.A. § 67-5-203(c) is invalid under the Tennessee and United States Constitutions and (2) a permanent injunction to preclude the Defendants, including Anderson County, Roane County and their various officials, from taking any further steps to impose a tax upon the aforementioned three private contractors pursuant to T.C.A. § 67-5-203(c). The State of Tennessee has been allowed to intervene in this action as a party defendant, and the case is presently pending before the United States District Court.

In each of the aforementioned two cases, the United States has raised the issue whether T.C.A. § 67-5-203(c) discriminates against the United States or its private contractors contrary to the Supremacy Clause of the United States Constitution (art. VI, cl. 2). That issue is presently before both the Sixth Circuit Court of Appeals in the *Hawkins County* case and the United States District Court

for the Eastern District of Tennessee, Northern Division, in the *Roane County* case.

Consequently, Tennessee is intensely interested in the outcome of this litigation, since the United States Court of Appeals for the Fourth Circuit's treatment of the discrimination issue is apparently contrary to the Sixth Circuit Court of Appeals' decision in *Chrysler Corporation v. Township of Sterling*, 410 F.2d 62 (6th Cir. 1969) and thus creates uncertainty regarding the appropriate standard for determining whether a state tax discriminates against either the United States or those with whom it deals. Tennessee believes that review of this important principle by this Court would clarify this standard and resolve any apparent conflict between the Circuits on this issue.

———o———

STATEMENT

Tennessee respectfully maintains that this Court should note probable jurisdiction in this case to resolve any inconsistencies between the decisions of the Fourth Circuit and the Sixth Circuit Courts of Appeals, and to clarify an issue which significantly impacts the relationship of the states, including Virginia and Tennessee, to federal authority.

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REASONS WHY THIS COURT SHOULD NOTE PROBABLE JURISDICTION

As recognized by the Appellants in their Jurisdictional Statement, it now should be beyond dispute that an independent contractor using federal property for its own profit-making ventures does not share the United States' immunity from state taxation under the Supremacy Clause of the United States Constitution (art. VI, cl. 2), and thus a state may tax such a contractor's beneficial use of federal property. Appellant's Jurisdictional Statement, p. 6. *See also Washington v. United States*, 460 U.S. 536, 540, 103 S.Ct. 1344, 75 L.Ed.2d 264 (1983); *United States v. New Mexico*, 455 U.S. 720, 733-744, 102 S.Ct. 1373, 71 L.Ed.2d 580 (1982); *United States v. County of Fresno*, 429 U.S. 452, 462, 97 S.Ct. 699, 50 L.Ed.2d 683 (1977).

As this Court reasoned in *United States v. New Mexico*, federal immunity exists "in *only one circumstance*: when the levy falls on the United States itself, or on an agency or instrumentality so closely connected to the Government that the two cannot realistically be viewed as separate entities, at least insofar as the activity being taxed is concerned." *United States v. New Mexico*, 455 U.S. at 735. (Emphasis added). This Court observed that this "narrow approach to governmental tax immunity" gives a "full range to each sovereign's taxing authority", and avoids "some of the manipulation and wooden formalism that occasionally have marked tax litigation—and that have no proper place in determining the allocation of power between coexisting sovereignties." *United States v. New Mexico*, 455 U.S. at 735-737. Thus, this Court recognized that a federal contractor's use of United States'

property in connection with commercial activities carried on for a profit constitutes "a separate and distinct taxable activity." *United States v. New Mexico*, 455 U.S. at 734-735, *quoting United States v. Boyd*, 378 U.S. 39, 44, 84 S.Ct. 1518, 12 L.Ed.2d 713 (1964).

In response to this Court's opinions on this subject, states including Tennessee and Virginia have sought to enact legislation to tax a private contractor's beneficial use of property provided to it by the United States government. Both T.C.A. § 67-5-203(c) and § 58.1-3502 (formerly § 58-831.2) of the Code of Virginia constitute such legislation.

The question presented to this Court, and currently pending before the United States Court of Appeals for the Sixth Circuit in the *Hawkins County* case and the United States District Court for the Eastern District of Tennessee, Northern Division, in the *Roane County* case, is what standard should be utilized to determine if any such state legislation discriminates against the United States or its private contractors in violation of the Supremacy Clause of the United States Constitution. The determination whether a tax is discriminatory requires "an examination of the whole tax structure of the state." *Phillips Chemical Co. v. Dumas Independent School District*, 361 U.S. 376, 383, 80 S.Ct. 474, 4 L.Ed.2d 384 (1960), *quoting Tradesmens' National Bank v. Oklahoma Tax Commission*, 309 U.S. 560, 568, 60 S.Ct. 688, 84 L.Ed. 947 (1940). A State's system of taxation does not discriminate against the United States and those with whom it deals "unless it treats someone better than it treats them." *Washington v. United States*, 460 U.S. at 544-545.

Nonetheless, even if discrimination exists, it may be justified under certain circumstances. For instance, as pointed out in the Appellants' Jurisdictional Statement at p. 8, the Sixth Circuit Court of Appeals in *Chrysler Corporation v. Township of Sterling*, 410 F.2d 62 (6th Cir. 1969), approved a Michigan taxing scheme which created an exemption in favor of state-supported educational institutions on the grounds that the exemption was conducive to the welfare of the general public. Specifically, the Sixth Circuit noted that the exemption for state-supported educational institutions was founded upon the well-recognized policy of both the United States and individual states "to protect, promote and support education, including colleges and universities." *Chrysler Corporation v. Township of Sterling*, 410 F.2d at 70. The Sixth Circuit in reaching this conclusion relied upon this Court's decision in *Phillips Chemical*, and reasoned that the controlling criteria in assessing the validity of the state's taxing scheme was whether the discrimination created by the exemption in favor of state-supported educational institutions "can be justified." *Chrysler Corporation v. Township of Sterling*, 410 F.2d at 68.

The Fourth Circuit Court of Appeals, in striking down the Virginia taxing statute as violative of the United States Constitution, refused to follow the Sixth Circuit's analysis in *Sterling* and instead reasoned that discrimination was always invalid assuming the users of state and federal property were "similarly situated". *United States v. City of Manassas*, 830 F.2d 530, 534 (4th Cir. 1987). Thus, as stated in the Jurisdictional Statement of the Appellants at page 8, the Fourth Circuit in essence held that a tax which treats some state contractors differently than

federal contractors could never be justified on any grounds.

CONCLUSION

The State of Tennessee accordingly submits the Court should note probable jurisdiction and set this case for argument on its merits. The federal question presented not only affects the validity of Virginia's revenue statute but also impacts upon similar statutes in other states, including Tennessee. Furthermore, the Fourth Circuit's Opinion is in conflict with the Sixth Circuit and thereby creates confusion under what circumstances, if any, a state may justify a discriminatory tax on public policy grounds.

Respectfully submitted,

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APPENDIX

67-5-203. *Government property.*—(a)(1) All property of the United States, all property of the state of Tennessee, of any county, or of any incorporated town, city, or taxing district in the state that is used exclusively for public, county or municipal purposes shall be exempt from taxation; provided, however, that real property purchased for investment purposes by the Tennessee consolidated retirement system shall be subject to property taxation.

(2) All property of any educational institution owned, operated, or otherwise controlled by the state of Tennessee as trustee or otherwise, shall be exempt from taxation.

(b)(1) When all of the area which is assessed as a single unit by the assessor of property of any political subdivision is acquired in its entirety by the United States government, the state of Tennessee, or any agency or political subdivision thereof, any lien for property taxes assessed by the political subdivision for the year in which the property is so acquired shall be released on the approval of the assessor of property of the political subdivision assessing such taxes with respect to that portion of the taxes representing the remainder of the calendar year after the date of the instrument or conveyance by the property owner, or after the date of the entry of an order of possession if the property is acquired by condemnation and the property owner shall be relieved of all personal liability for the portion of the taxes.

(2) Either the condemnor or the property owner may request the assessor to provide such proration which

shall be based on the last made assessment and rate fixed, according to law, and the trustee shall accept tender of the amount determined to be owing.

(3) Where only a portion of the entire unit assessed for taxes by the assessor of property of a political subdivision is so acquired, the portion of the taxes for the entire year attributable to the part taken, where same is acquired by deed, shall be arrived at by dividing an amount equal to the assessed valuation of the portion taken, as agreed upon between the property owner and the assessor of property, by the present assessed valuation of the entire assessed unit and multiplying the resulting quotient against the amount of the whole tax assessed against the entire unit for the full year after which the portion of the property so acquired shall be relieved of the lien of the portion of the taxes for the remainder of the calendar year as provided in subdivision (1) of this subsection, and the property owner shall be relieved of all personal liability as to the portion of the taxes as provided in subdivision (1) of this subsection; provided further that where the portion of the property is being acquired by condemnation the court will determine the portion of the entire year's taxes attributable to the part taken after hearing proof on behalf of the property owner and the taxing authorities, with the burden being on the taxing authorities to assure their proper appearance before the court.

(4) In the event of such an acquisition by deed, either the condemnor or the property owner may request the assessor to provide such proration, after the assessor has agreed with the property owner relative to the assessed

valuation of the portion taken; and under either circumstances set forth in subdivision (3) of this subsection, the proration shall be based on the last made assessment and rate fixed, according to law, and the trustee shall accept tender of the amount determined to be owing.

(c) All property of the United States or any department or agency thereof, leased or otherwise used for other than an exclusively public purpose by any person, not an agent or instrumentality of the United States, shall be assessed to such user of such property at its value as determined pursuant to § 67-5-601, subject only to a deduction for any restricted use. This subsection (c) shall not affect sales and use taxes imposed on users of federal property by § 67-6-209. The provisions of this subsection shall only apply to any county having a population in excess of forty-three thousand (43,000) according to the 1980 federal census or any subsequent federal census.

(d) Notwithstanding any provision hereof to the contrary, subsection (c) shall apply to any county having a population in excess of twenty-eight thousand (28,000) and less than twenty-eight thousand five hundred (28,500) according to the 1980 federal census or any subsequent federal census. [Acts 1973, ch. 226, § 5; 1976, ch. 449, §§ 1, 2; T.C.A., §§ 67-404, 67-501; Acts 1986, ch. 856, §§ 1, 2; 1987, ch. 48, § 1; 1987, ch. 54, § 18.]

67-5-212. *Religious, charitable, scientific, educational institutions.*—(a)(1) There shall be exempt from property taxation the real and personal property, or any part thereof, owned by any religious, charitable, scientific or nonprofit educational institution which is occupied and

used by such institution or its officers purely and exclusively for carrying out thereupon one or more of the purposes for which the institution was created or exists or which is occupied and used by another exempt institution purely and exclusively for one or more of the purposes for which it was created or exists under an arrangement whereunder the owning institution receives no more rent than one dollar ($1.00) per year; provided, however, that the owning institution may receive a reasonable service and maintenance fee for such use of the property; and provided further that no church shall be granted an exemption on more than one (1) parsonage which shall include not more than three (3) acres of land except as hereinafter provided; and provided further, that no property shall be totally exempted, nor shall any portion thereof be pro rata exempted unless such property or portion thereof is actually used purely and exclusively for religious, charitable, scientific or educational purposes. For the purposes of this section, a church parsonage shall be deemed to be property used purely and exclusively for religious purposes; provided, however, that no church shall be granted an exemption on more than one (1) parsonage.

(2) In determining the exemption applicable to a post-secondary educational institution, there shall be a presumption that the entire original campus of an institution chartered before 1930 is an historical and integral entity, and is exempt so long as no particular portion of such campus is used for nonexempt purposes.

(3) If real property of a religious institution which is tax exempt under subdivision (1) of this subsection is in whole or in part:

(A) Acquired under the power of eminent domain;

(B) Planned to be acquired under the power of eminent domain; or

(C) Under negotiation to be acquired under the power of eminent domain; the exemptions from property tax granted under that sentence shall apply to property purchased by the religious institution to replace the property condemned or to be condemned. If the property purchased as a replacement is used for nonexempt purposes, the property shall not be tax exempt. If property purchased as a replacement is not used for religious purposes but is subsequently sold, taxes shall then be due and payable on the property for such time as the property was owned by the religious institution, but no penalties shall apply to the religious institution for late payment of property tax on such property. This subdivision (a)(3) shall lapse and no longer be effective one (1) year after the completion of the Appalachian highway program.

(4) But the property of such institution shall not be exempt if the owner, or any stockholder, officer, member or employee of such institution shall receive or may be lawfully entitled to receive any pecuniary profit from the operations of that property in competition with like property owned by others which is not exempt, except reasonable compensation for services in effecting one or more of such purposes, or as proper beneficiaries of its strictly religious, charitable, scientific or educational purposes; or if the organization thereof for any such avowed purpose be a guise or pretense for directly or indirectly making any other pecuniary profit for such institution, or for any of its members or employees, or if it be not in good faith organized or conducted exclusively for one (1) or more of

these purposes. The real property of any such institution not so used exclusively for carrying out thereupon one (1) or more of such purposes, but leased or otherwise used for other purposes, whether the income received therefrom be used for one (1) or more of such purposes or not, shall not be exempt; but if a portion only of any lot or building of any such institution is used purely and exclusively for carrying out thereupon one (1) or more of such purposes of such institution, then such lot or building shall be so exempt only to the extent of the value of the portion so used, and the remaining or other portion, shall be subject to taxation.

(b)(1) All such institutions so claiming exemption under this section shall be required to make application for such exemption to the assessor of property upon a proper form prepared by the state board of equalization and supplied by the assessor of property, and the completed form shall show ownership, estimated value, description and location of property, the purposes for which the property is used, and such other information as may be required by either the state board of equalization or the local assessor of property. No exemption shall be granted unless and until the same is approved in writing and signed by the executive secretary or staff attorney of the state board of equalization or such other person as may be designated by the state board of equalization. The assessor of property shall maintain on file all applications which are approved for exemption.

(2) Upon approval for exemption from property taxation it is not necessary that the institution owning such property make application for such exemption each year;

provided, however, that such institutions promptly report to the assessor of property any change in the use of such property which affects the exempt status.

(3) All institutions claiming an exemption under this section which have not previously filed an application for and been granted an exemption for a parcel must file an application for exemption with the state board of equalization by May 20 of the year for which exemption is sought. If the application is approved, the exemption will be effective as of January 1 of the year of application or as of the date the exempt use of such parcel began, whichever is later. If application is made after May 20 of the year for which exemption is sought, but prior to the end of the year, the application may be approved but will be effective for only a portion of the year determined as follows:

(A) If application is filed within thirty (30) days after the exempt use of the property began, exemption will be effective as of the date the exempt use began or May 20, whichever is later;

(B) If application is filed more than thirty (30) days after the exempt use began, the exemption will be effective as of the date of application.

(4) The property of any such institution failing to file the application or the property of any such institution filing an application, but failing to qualify for exemption, shall not be exempt from property taxation but shall be assessed and taxed as other similar property; provided that any institution failing to file the application on or before April 1, 1975 shall have the right to an appeal before the state board of equalization upon the filing with

the executive secretary of the state board the proper form and application for such exemption. All questions of exemption under this section shall be subject to review and final determination by the state board of equalization, provided that any determination by the state board of equalization is subject to judicial review by petition of certiorari to the appropriate chancery court. All other provisions of law notwithstanding, no property shall be entitled to judicial review of its status under this statute except as provided by the Uniform Administrative Procedures Act, compiled in title 4, chapter 5, and only after the exhaustion of administrative remedies as provided hereinabove.

(c) As used hereinabove, "charitable institution" shall include any non-profit organization or association devoting its efforts and property, or any portion thereof, exclusively to the improvement of human rights and/or conditions in the community.

(d)(1) The property, or any part thereof, owned by any religious, charitable, scientific or educational membership nonprofit organization shall not be denied exemption because administrative, social or recreational activities of such organization are conducted thereon, where the activities are agencies for the advancement and enlargement of the purposes for which the organization exist; where such activities are in furtherance of the general purposes of such organization; or where the activities promote the interest of its membership in such organizations.

(2) When property is owned by corporations organized for the exclusive purpose of holding title to property for use of any organization which itself qualifies for such exemption from taxation under this subsection, only such

property or such parts thereof, of the corporation as would be entitled to an exemption under this subsection if owned directly by such organization shall not be denied exemptions.

(3) The exemption of property or parts thereof under this subsection shall be applicable only to such part of the property on which such organization conducts administrative, social or recreational activities if it is less than the entire property.

(4) This subsection (d) shall apply only to those religious, charitable or educational membership nonprofit organizations which are chartered by the United States Congress.

(e)(1) There shall be exempt from property taxation the property of labor organizations exempted from the payment of federal income taxes by the United States Internal Revenue Law (26 U.S.C. § 501(c)(5)), when such property is not used for revenue producing profit, but is used by such organization for charitable or educational meetings, but if part of the property is used for revenue producing profit, then the part so used shall not be exempt from property taxation; provided, however, that the real property on which the building is situated shall be exempt from property taxation.

(2) Provided however, no such organization which discriminates against any person based upon race, sex, religious beliefs or national origin shall be eligible for the property tax exemption authorized by this subsection.

(f) There shall be exempt from property taxation the property or, any part thereof of nonprofit artificial

breeding associations chartered under the provisions of part 6 of chapter 1 of title 48 and of fraternal organizations exempted from the payment of federal income taxes by the United States Internal Revenue Law (26 U.S.C. § 501(c)), when such property or part thereof is not used for revenue producing profit, but used solely by such organizations for meetings, administrative, scientific, charitable, or educational purposes.

(g)(1) In the case of property that is owned by any religious, charitable, scientific or educational institution and on which such institution constructs improvements to be occupied and used by such institution or its officers purely and exclusively for carrying out thereupon one (1) or more of the purposes for which the institution was created or exists, the property to the extent of the value of the improvements constructed thereon for these purposes shall be considered to be occupied and used by the institution or its officers purely and exclusively for the institution's purposes from and after, but not before, the commencement of the construction of the improvements and to the extent of such value shall be exempt from taxation; provided, however, that if the improvements upon completion are not so occupied and used, then no part of the value of the property shall be exempt from taxation during the construction of the improvements.

(2) If upon completion of the improvements a portion thereof is not so used and occupied, such portion shall not be exempt from taxation during construction.

(3) If the improvements upon completion are not occupied and used by such institution or its officers for a period of ten (10) years, purely and exclusively for car-

rying out thereupon one or more of the purposes for which such institution was created or exists, the institution shall be liable for the full amount of property taxes that would otherwise have been due and payable during the period of construction, plus penalties and interest as provided in this title.

(4) Provided, however, that construction begun, and having the effect of activating the provisions of this subsection (g), shall be completed within five (5) years or the effect of this subsection shall be null and void.

(h)(1) There shall be a percentage basis used for the purpose of exempting from taxation the property of fraternal organizations exempted from the payment of federal income taxes by the United States Internal Revenue Law (26 U.S.C. § 501(c)).

(2) The percentage amount and time use of the property used directly, physically, and exclusively for religious, charitable, scientific, literary and educational activities or activities necessarily incidental thereto shall be exempt from the total property taxation.

(3) The percentage of the total amount of the property to be exempt from property taxation shall be determined by the local assessor of property subject to existing law.

(i) There shall be exempt from property taxation the property, or any part thereof, of nonprofit county fair associations.

(j) There shall be exempt from property taxation the property or any portion thereof containing one (1) residential dwelling located in a community park which is open to entry by the general public if such dwelling is

owned by a nonprofit religious, charitable, educational or scientific organization which does not receive income from the resident thereof, if such resident does not occupy the dwelling in lieu of a salary, and if such resident by his presence would discourage or prohibit damage or destruction by vandalism of the organization's property.

(k) There shall be exempt from property taxation any property upon which a caretaker's dwelling is located if:

(1) The dwelling is located upon land owned by a nonprofit member organization chartered by the United States Congress;

(2) The land immediately surrounding the dwelling is used by such organization for nonprofit religious, charitable, educational or scientific purposes; and

(3) The caretaker's presence is required for the physical security of the users of the property as well as to discourage or prohibit damage or destruction by vandalism of the organization's property. [Acts 1973, ch. 226, § 5; 1974 (Adj. S.), ch. 771, §§ 5-7; 1974 (Adj. S.), ch. 774, §§ 1, 2; 1975, ch. 322, § 1; 1976 (Adj. S.), ch. 670, §§ 1, 2; 1976 (Adj. S.), ch. 849, § 1; 1977, ch. 255, §§1, 2; 1977, ch. 421, §§ 1-5; 1979, ch. 22, § 1; 1981, ch. 96, § 1; 1981, ch. 218, § 1; 1981, ch. 306, §§ 1, 2; 1982 (Adj. S.), ch. 713, § 1; 1983, ch. 460, § 1; T.C.A., § 67-513; Acts 1984, ch. 507, § 1; 1984, ch. 651, § 1; 1984, ch. 749, § 1; 1984, ch. 766, § 1; 1984, ch. 809, § 1; 1984, ch. 832, § 4; 1985, ch. 68, § 1.]